

## **BUSINESS PERSONAL PROPERTY QUESTIONS & ANSWERS**

- I've received an Arizona Business Property Statement, where do I send my payment?
  - The Business Property Statement is not a Tax Bill, it is the annual reporting form for your business to submit changes on your account, (additions/deletions to equipment, name and address changes).
- I just started my business, how do I report my Personal Property?
  - The preferred method is to self-report your business to the Assessor's Office. There is a 'Self Report' form available on this website, or call the Personal Property Department at (602) 506-3386. However, many businesses are identified by the Appraisers during our annual canvass of the county. Those businesses found by the Appraisers will have an Account Number assigned to them, and an Arizona Business Property Statement mailed to them.
- This is the first time we received a Business Property Statement. What do I need to do?
  - Business Personal Property deals with the physical assets used in the operation of the business. If you have an Asset Listing you can attach a copy to the property statement and return it to the Assessor's Office. Or, if an asset listing is not available, make a listing of all the business equipment with a Description, Year it was purchased and the Original acquisition cost (to include any freight, installation, special support, special wiring, special plumbing and sales tax paid).
- Last year we filed an Asset Listing and now our equipment costs are listed on the front of the Business Property Statement. How do we make changes?
  - To add or delete equipment from your return, use the back side of the form, (section 4). When adding equipment, list the total acquisition cost under the appropriate schedule column, and the year acquired at the far left of that row in the Additions section. When deleting equipment, it is the same as adding, but listed in the Deletions section, (you must verify that the acquisition year you are deleting is preprinted on the front of the form, otherwise that deletion will not be considered).
- We have added equipment, but do not know if it is Qualified or Non-Qualified?
  - Equipment is qualified if this is the first time it is being assessed in Arizona. Typically, brand new equipment is always qualified. Used equipment that was first time (historically), acquired more than four years ago does not qualify, and should be listed as Non-Qualified.

- The name and address on the Business Property Statement is wrong. How do we correct this?
  - Complete Section 1 on the front of the form to identify any changes to the Business Name, Mailing Address or Location Address.
- Is my inventory taxable?
  - No, with minor exception, inventory for sale is not taxable in Arizona.
- We did not receive our Business Property Statement. How do I obtain a duplicate form to file?
  - You must submit a written request, (identifying the Account Number), for a Duplicate form to be mailed out. You may fax your request to (602) 506-7335. However, due to the April 1<sup>st</sup> filing deadline, duplicates will not be typed and mailed after March 15<sup>th</sup>.
- In regards to the deadline of April 1<sup>st</sup>, does the Business Property Statement need to physically be in your office, or can it be post marked April 1<sup>st</sup>?
  - Your return must be Post marked on April 1<sup>st</sup> by the United States Postal Service, or certified mail only. No internal, company postal meters post marks are valid or accepted.
- Can we get an extension for filing the Business Property Statement?
  - Maricopa County no longer grants extensions beyond the April 1<sup>st</sup> due date since the forms are mailed one month earlier than the required February 1<sup>st</sup> mail date. A 10% Penalty will be applied to all accounts received after the April 1<sup>st</sup> Due Date.
- Our business closed, how do I close my Business Personal Property Account?
  - You may write on any open space on the front of the Business Property Statement, or attach a separate letter, identifying the Account Number, stating that the business closed, date of closing and what happened to the equipment.
- How and when will I know if my account has been processed?
  - The Assessor's Office normally mails out Valuation Notices in July. The Valuation Notice will identify your Full Cash Value, Assessed Value and appeal deadlines.
- What if I don't agree with the Valuation Notice?
  - By statute, you have 20 days from the notices mailing date to file a Petition for Review (DOR form 82530) with the Assessor's Office. The Assessor's Office then has 20 days to respond to your petition. If the disputed value has not been settled by that time, you may file with the Arizona State Board of Equalization within 20 days of the Assessor's Decision mailing date.

- My Business Property Statement makes reference to “Important Exemption Information”, is my business exempt?
  - No, this “exemption” refers to the deduction of the first 50,000 in Full Cash Value (Replacement Cost New less Depreciation). This amount is annually determined by the Arizona Department of Revenue. Remaining Full Cash Value will be Assessed.
- I operate several locations throughout the state. Does the ‘Exemption’ apply to each location?
  - The ‘Exemption’ applies only once throughout the state for each legal Business entity. If more than one location's have a combined Full Cash Value of less than 50,000 then the ‘Exemption’ would cover all of those locations.
- I am leasing equipment, and the leasing company is billing me for Personal Property Taxes, is this legal?
  - By statute, the tax on Business Personal Property is a debt against the owner. Typically the Leasing Company will pay the taxes directly to the County Treasurer and then issue their own billing to the lessee for reimbursement. Please review your lease agreement for details.
- I understand why my leasing company is billing me for Personal Property Taxes, but they are also charging an additional Sales Tax. Isn't that double taxation?
  - No. The Counties are solely responsible to value and to collect the Personal Property Taxes for the equipment. Separately, the Arizona Department of Revenue charges “Sales Tax”, (technically labeled “Transaction Privilege Tax”). The Arizona Department of Revenue charges these taxes on every invoice your leasing company bills to customers in Arizona.
- I have finished my lease, and now own the equipment. Shouldn't I report my ‘buyout’ cost as my acquisition cost?
  - The best way to report any equipment that has been previously assessed by another business entity, is to maintain the Historical Acquisition Costs and Dates. By reporting the historical information, you will maintain the depreciation already applied to the assets. Once you report used equipment, at a reduced purchase cost, it is now Non-Qualified, and the depreciation starts over from your purchase date. Also, if Market Value (which is the pre-depreciated value) is reported, then no additional depreciation will be applied.